Area-based Audit of Forest Planning and Practices and Enforcement of the Forest Practices Code in the South Island Forest District

FPB/ARC/52

March 2003

Table of Contents

A. Report from the Board

B. Forest Practices Board Compliance Audit Process

C. Reports from the Auditor – Compliance Audits

D. Report from the Auditor – Enforcement Audit

103-03462/

Report from the Board

A. Report from the Board

This is the Board's report on the area-based audit of government's enforcement of the *Forest Practices Code of British Columbia Act* and related regulations (the Code), and forest planning and practices in the eastern portion of the South Island Forest District (refer to attached map).

The audit examined the appropriateness of government's enforcement of the Code, including planning, management direction and operational activities related to enforcement, for the period May 1, 2001, to May 25, 2002. The activities of two Code enforcement agencies, the Ministry of Forests (MOF) and the Ministry of Water, Land and Air Protection (MWLAP) were examined. There were no activities within the audit for which the Ministry of Energy and Mines had enforcement responsibilities.

In addition, the audit examined field activities and obligations of the following parties for the period of May 1, 2001, to May 25, 2002, to determine compliance with Code requirements:

- South Island Forest District, including responsibilities of both the Small Business Forest Enterprise Program and the district manager
- Steeves Forest Consulting Ltd. – Timber Sale Licence Major A20506
- TFL Forest Ltd. – Tree Farm Licence 46
- Coast Mountain Hardwoods Inc., a wholly owned subsidiary of Weyerhaeuser Company Ltd. – Forest Licence A49581
- Five woodlot licences

The Reports from the Auditors (Part C and D) provide further details on the location, the scope of the audits and the audit findings. The Report from the Auditor in Part C is based on the audit procedures described in Part B.[1]

Before completing this report, the Board considered written representations from MOF and MWLAP, as required under section 182 of the *Forest Practices Code of British Columbia Act*. The Board also considered the reports from the auditors, along with supporting audit evidence. Based on its analysis of this information, the Board affirms the audit reports and provides the following conclusions.

Conclusions

Overall, the Board is encouraged by the high level of performance of auditees noted in the audits. In four of five compliance audits, licensees were found to be in compliance in all significant respects.

---

[1] Part B of this document provides background information on the Board's audit program and the process followed by the Board in preparing its report.

A high level of compliance was noted in the South Island Forest District activities and they are commended for this performance. One instance of significant non-compliance was noted on a 900-metre section of forest service road. The road had not been properly maintained. This was determined to be a significant non-compliance with the Code because the poor condition of the road created an environmental risk within a community watershed. Except for this instance, the district's activities were found to be in compliance with the Code in all significant respects.

In its representations to the Board, the district held the view that the road is not a forest service road and, therefore, government is not legally obliged to maintain it under the Code. The Board has considered these representations and examined the facts of the issue and agrees with the auditors' finding that the road is a forest service road and government is obliged to maintain it. The work required to repair the road was relatively minor. The Board is concerned that the road was not repaired promptly after discovery of the problem, notwithstanding the district's uncertainty about who was responsible for maintaining this road.

Partly as a result of this audit finding, the MOF has identified shortcomings in the legal definition of a forest service road under the *Forest Act* and, in their representations, communicated their intention to propose legislative amendments to address the problem. The Board supports this effort.

This is the second audit of the South Island Forest District conducted by the Board. In December of 1998 the Board reported on the activities of the Small Business Forest Enterprise Program in the South Island Forest District and identified several deficiencies in forest practices. The Board is pleased to note that those deficiencies had been remedied and were not found in this audit. The Board notes that further improvement is possible and looks forward to the district's continued improvement of its practices, in particular, maintenance of forest service roads.

In the enforcement audit, the same forest service road issue was a factor. The South Island Forest District compliance and enforcement (C&E) staff did not recognize and enforce government's obligation to maintain the road and the auditor concluded that this was a significant weakness in Code enforcement. In spite of this, the Board is pleased to note that, overall, the audit concluded that the MOF is appropriately enforcing the Code in the South Island Forest District. This audit shows improvement of MOF enforcement compared with results from previous Board enforcement audits.

The Board welcomes the MOF strategy that is currently being implemented to remove the Small Business Forest Enterprise Program from forest districts through the establishment of the separate Timber Sale Program. One of the benefits of this approach will be to fully separate C&E activities, conducted by district staff, from program activities, such as road building, conducted or supervised by Timber Sale Program staff. This restructuring should lead to an overall improvement in controls to help ensure that C&E inspections of Timber Sale Program activities are conducted with a sufficient level of objectivity.

In the audit of WMAT enforcement, the auditor found that the auditee was not actively involved in Code enforcement within the audit area. WMAT had not completed any compliance inspections and had not implemented effective joint CAP processes with BOF. This conclusion is similar to findings in previous enforcement audits and is of concern to the Board. It is the Board's view, WMAT is not yet fulfilling its stated and legislated intent to be involved in Code enforcement. The Board will continue to assess WMAT's enforcement role in subsequent audits.

John Cuthbert, RPF
A/Chair, Forest Practices Board
March 20, 2003

Forest Practices Board
Compliance Audit Process

B. Forest Practices Board Compliance Audit Process

Background

The Forest Practices Board conducts audits of government and agreement-holders for compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The Board has the authority to conduct these periodic independent audits under section 176 of the *Forest Practices Code of British Columbia Act*. Compliance audits examine forest planning and practices to determine whether or not they meet Code requirements.

Audit Standards

Audits by the Forest Practices Board are conducted in accordance with the auditing standards developed by the Board. These standards are consistent with generally accepted auditing standards.

The audits determine compliance with the Code based on criteria derived from the *Forest Practices Code of British Columbia Act* and its related regulations. Audit criteria are established for the evaluation or measurement of each practice regulated by the Code. The criteria reflect judgments about the level of performance that constitutes compliance with each requirement.

The standards and procedures for compliance audits are described in the Board's *Compliance Audit Reference Manual*.

Audit Process

Conducting an area-based Audit

Once the Board selects the area to be audited, the audit period and the staff and resources required to conduct the audit are determined. Board staff meet with the parties in the area being audited to discuss the logistics of the audit before commencing the work. The parties involved could be forest companies, oil and gas companies, woodlot owners or ranchers.

All the activities carried out during the period subject to audit are identified; for example, harvesting or replanting sites, and constructing or deactivating road sections. The items that make up each forest or range activity are referred to as a "population." For example, all sites harvested by a specific licensee form the "timber harvesting population" for that licensee. All road sections constructed by a specific licensee form the "road construction population" for that licensee. The populations are then sub-divided based on factors such as characteristics of the sites and potential severity of the consequences of non-compliance on the sites.

For each population of each licensee, the auditors choose the most efficient means of obtaining information to conclude whether there is compliance with the Code. For efficiency, auditors usually rely upon sampling to obtain audit evidence, rather than inspecting all activities.

Individual sites and forest or range practices within each population have different characteristics, such as the type of terrain, type of yarding or grazing levels. Each population for each licensee is divided into distinct sub-populations on the basis of common characteristics (e.g., steep ground vs. flat ground). A separate sample is selected for each population (e.g., the cutblocks selected for auditing timber harvesting). Within each population, more audit effort (i.e., more audit sampling) is allocated to the sub-population where the risk of non-compliance is greater.

Audit work in the field includes assessments from the air using helicopters and ground procedures, such as measuring specific features like road or riparian reserve zone width. The audit teams generally spend one to three weeks in the field.

Evaluating the Results

The Board recognizes that compliance with the many requirements of the Code is more a matter of degree than absolute adherence. Determining compliance, and assessing the significance of non-compliance, requires the exercise of professional judgment within the direction provided by the Board.

Auditors collect, analyze, interpret and document information to determine the audit results. The audit team, composed of professionals and technical experts, first determines whether forest practices are in compliance with Code requirements. For those practices considered to not be in compliance, the audit team then evaluates the degree to which the practices are judged not in compliance. The significance of the non-compliance is determined based on a number of criteria, including the magnitude of the event, the frequency of its occurrence and the severity of the consequences.

As part of the assessment process, auditors categorize their findings into the following levels of compliance:

Compliance – where the auditor finds that practices meet Code requirements.

Not significant non-compliance – where the auditor, upon reaching a non-compliance conclusion, determines that a non-compliance event, or the accumulation and consequences of a number of non-compliance events, is not significant and is not considered worthy of reporting.

Significant non-compliance – where the auditor determines that the event or condition, or the accumulation and consequences of a number of non-compliance events or conditions, is or has the potential to be significant, and is considered worthy of reporting.

Significant breach – where the auditor finds that significant harm has occurred, or is beginning to occur, to persons or the environment as a result of the non-compliance. A significant breach can also result from the cumulative effect of a number of non-compliance events or conditions.

Identification of a possible significant breach requires the auditor to conduct tests to confirm whether or not there has been a breach. If it is determined that a significant breach has occurred, the auditor is required by the *Forest Practices Board Regulation* to immediately advise the Board, the party being audited, and the Ministers of Forests, Energy and Mines, and Water, Land and Air Protection.

Reporting

Based on the above evaluation, the auditor then prepares the "Report from the Auditor" for submission to the Board. The parties being audited are given a draft of their portion of the report before it is submitted to the Board so that the party is fully aware of the findings. The auditee is also kept fully informed of the audit findings throughout the process, and is given opportunities to provide additional relevant information and to ensure the auditor has complete and correct information.

Once the auditor submits the report, the Board reviews it and determines if the audit findings may adversely affect any party or person. If so, the party or person must be given an opportunity to make representations before the Board decides the matter and issues a final report to the public and government. The representations allow parties that may potentially be adversely affected to present their views to the Board.

At the discretion of the Board, representations may be written or oral. The Board will generally decide on written representations, unless the circumstances strongly support the need for an oral hearing.

The Board then reviews the report from the auditor for each auditee and the representations from parties that may potentially be adversely affected before preparing its final report, which includes the Board's conclusions and, if appropriate, recommendations.

If the Board's conclusions or recommendations result in newly adversely-affected parties or persons, additional offers of representations would be required.

Once the representations have been completed, the reports are finalized and released: first to the respective auditees and then to the public and government.

Reports from the Auditor – Compliance Audits

C. Reports from the Auditor – Compliance Audits

1.0 Introduction

Area-based audit

As part of its 2002/2003 compliance audit program, the Forest Practices Board selected an area on the east coast of Vancouver Island, in the South Island Forest District, for audit. The area-based audit examined the activities of all parties with responsibilities under the *Forest Practices Code of British Columbia Act* and regulations (the Code), including forest tenure holders and resource agencies. The audit also examined government enforcement activities.

This report describes the audit of the planning and practices of the forest tenure holders and resource agencies in the area.

The South Island Forest District was selected randomly from the population of eight forest districts in the Vancouver Forest Region, and not on the basis of location or level of performance. The district was divided into four areas that contain sufficient levels of forest activities for audit, and the audit area was selected randomly from among those four areas. The audit area consists of 14 draft landscape units.

Section 176 of the *Forest Practices Code of British Columbia Act* (the Act) mandates the Forest Practices Board to conduct audits of government and agreement-holders for compliance with the Code. The main parties with forest activities in the audit area were TFL Forest Ltd., Steeves Forest Consulting Ltd., Weyerhauser Company Ltd., the South Island Forest District Small Business Forest Enterprise Program, and thirteen woodlot licence holders.

The volume harvested on Crown land during the audit period was approximately 150,000 cubic metres.

The audit area is approximately 481,000 hectares in size, extending southeast from the Campbell River Forest District boundary (east of Port Alberni and Labour Day Lake), to Shawnigan Lake and the Sooke Basin, including the area surrounding Cowichan Lake (see attached map).

The area comprises mostly stable terrain, with the majority of the harvesting in second growth stands of coastal Douglas fir or coastal western hemlock, using primarily a 'clearcut

with reserve[7] silviculture system. Root rot and windthrow are the common forest health concerns in the area and there are four community watersheds within the audit area.

The area also contains a substantial amount of private land, including a large amount of private forest land. In many areas, the private and Crown forests are adjacent to each other, both supporting operations by the same operator.

There are currently no landscape plans or objectives established for the draft landscape units. The Vancouver Island Summary Land Use Plan and the Vancouver Island Land Use Plan Higher Level Plan Order[8] are applicable to the audit area and serve as guidance for operational planning and statuatory decisions.

2.0 Licensee Reports

2.1 South Island Forest District

2.1.1 Scope

The audit examined government's activities and obligations under the Code in the South Island Forest District (SIFD) in the areas of operational planning; timber harvesting; silviculture; fire protection; and road construction, maintenance and deactivation. These activities and obligations are the responsibility of the Small Business Forest Enterprise Program and the district manager. The activities were assessed for compliance with the Code. The period for which activities were examined was May 1, 2001, to May 25, 2002.

The activities carried out during the audit period, and therefore subject to audit, were:

- harvesting of 6 cutblocks
- construction of 19 road sections, totalling 6.6 kilometres
- construction of 1 bridge
- maintenance of 57 bridges and major culverts and approximately 455 kilometres of road
- site preparation of 2 cutblocks
- planting of 6 cutblocks
- manual brushing on 27 cutblocks
- free-growing obligations on 32 cutblocks
- fire-preparedness planning, fuel management and hazard abatement

The activities carried out by the Small Business Forest Enterprise Program (SBFEP) during the audit period were approved in the 2002-2006 forest development plans[9] for the Alberni operating area, and in the 2000-2004 forest development plan for the Cowichan operating area.

Section 2.1.2 of this report describes the results of the audit. The Board's *Compliance Audit Reference Manual Version 5.1 (May 2002)* sets out the standards and procedures that were used to carry out the audit.

2.1.2 Findings

Planning and practices examined

The audit work on selected roads and cutblocks included ground-based procedures and assessments from the air using helicopters. The audit examined the following practices:

- harvesting practices on 6 cutblocks
- construction of 6 road sections totalling 1.1 kilometres
- construction of 1 bridge
- maintenance of 23 bridges and major culverts and approximately 101 kilometres of road
- site preparation on 2 cutblocks
- planting of 4 cutblocks
- manual brushing on 9 cutblocks
- free-growing obligations on 28 cutblocks
- fire-preparedness planning, fuel management, and hazard abatement

The audit also examined the 2002-2006 forest development plans for the Alberni operating area, and the 2000-2004 forest development plan for the Cowichan operating area. Only the portions of the forest development plan that applied to the audit area were examined.

There were no deactivation activities by the South Island forest district during the audit period.

Findings

The audit found that the South Island Forest District planning and practices complied, in all significant respects, with Code requirements for operational planning; timber harvesting; road construction and maintenance; and fire protection.

The audit identified a situation of non-compliance involving lack of road maintenance on a section of forest service road in a community watershed.

The audit also identified a need for improvement in silviculture practices. The audit identified 27 areas which, under approved silviculture prescriptions, [1] were required to contain free-growing stands of healthy, well-spaced trees during the audit period. The audit found that only 17 of these areas had met this silviculture obligation.

Detailed examination of these areas, and of the silviculture treatments carried out by the district, identified that, in most cases, the non-achievement stemmed from a lack of timely

amendments to approved silviculture prescriptions to reflect changes in acceptable standards for free-growing assessment periods. The audit confirmed that, in all cases, the areas are stocked and should achieve free-growing status within one to two years. Improvement is required to ensure more timely completion of amendments to silviculture prescriptions. The lack of timely amendments increases the risk that these important Code obligations are not achieved.

Mulchat Forest Service Road

The audit identified a situation of significant non-compliance with the Code, involving a lack of road maintenance on a section of forest service road. The section of road crosses private land and was acquired by the Ministry of Forests (MOF) under a statutory right-of-way agreement. It is approximately 900 metres long, and lies within the Shawnigan community watershed.

MOF had not recognized its obligation under the Code to maintain this section of road and had not carried out maintenance activities. A number of culverts were not functioning properly. This resulted in sediment movement into the surrounding area, including several streams.

The non-compliance is significant because the poor condition of the road created an environmental risk in the community watershed. MOF recognized the poor condition of the road and its potential to cause environmental harm, however failed to undertake, or ensure the completion of, appropriate maintenance activities. In response to the audit the district initiated the necessary repairs to the road.

The non-compliance falls under sections 63(6) and (7) of the Act, which require the government to maintain forest service roads.

2.1.3 Opinion

In my opinion, except for the significant non-compliance described below, the operational planning, timber harvesting, silviculture, fire protection, and road construction and maintenance activities carried out by the South Island Forest District in the audit area, from May 1, 2001, to May 25, 2002, were in compliance, in all significant respects, with the requirements of the Code as of May 2002.

As described in section 2.1.2., the audit identified a situation of significant non-compliance involving lack of road maintenance on the Mulchat Forest Service Road by the South Island Forest District. MOF had not recognized its obligation under the Code to maintain this section of road and had not carried out maintenance activities. A number of culverts were not functioning properly. This resulted in sediment movement into the surrounding area, which includes several streams, creating an environmental risk in the community watershed.

No opinion is expressed about the South Island Forest District's road deactivation as there were no deactivation activities during the audit period.

In reference to compliance, the term "in all significant respects" recognizes that there may be minor instances of non-compliance that either may not be detected by the audit, or that are detected but not considered worthy of inclusion in the audit report.

Sections 2.1.1 and 2.1.2 of this Report from the Auditor describe the basis of the audit work performed in reaching this opinion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code.

Kevin Eckgren, CFP
Auditor of Record
Victoria, British Columbia
December 19, 2002

5.6 [illegible] (Beaver Forest Consulting Ltd.)

5.6.1 Scope

The audit examined the activities and obligations of Beaver Forest Consulting Ltd., under Timber Sales Licence [illegible], related to operational planning, timber harvesting, silviculture, fire protection, and road construction, maintenance and deactivation. These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The period for which activities were examined was May 1, 2001, to May 20, 2002.

The activities carried out during the audit period were:

- harvesting of 3 cutblocks
- construction of 32 road sections, totalling 4.2 kilometres
- maintenance of approximately 127 kilometres of road, involving activities such as road surfacing, and cleaning culverts and ditches
- planting of 2 cutblocks
- fire preparedness planning, fuel management and hazard abatement

The activities carried out by Beaver Forest Consulting Ltd. during the audit period were approved in the 1999–2003 Beaver Forest Consulting Ltd. forest development plan and major amendment.

There were no road deactivation activities carried out by Beaver Forest Consulting Ltd. during the audit period.

Section 5.5.2 of the report describes the results of the audit. The *[illegible] Compliance Audit Reference Manual, Version 3.1* (May 2002) sets out the standards and procedures that were used to carry out the audit.

5.6.2 Findings

Planning and practices examined

The audit work on selected roads and cutblocks included ground-based procedures and assessment from the air using helicopters. The audit examined the following practices:

- harvesting practices on 3 cutblocks
- construction of 17 road sections totalling 3.1 kilometres
- maintenance of approximately 127 kilometres of road
- planting of 2 cutblocks
- fire preparedness planning, fuel management, and hazard abatement

The audit also examined the 1999-2003 Stevens Forest Consulting Ltd. forest development plan and major amendments (MA) the provisions of the forest development plan that applied to the audit area were examined.

Findings

The audit found that the forest planning and practices of Stevens Forest Consulting Ltd. in the audit area complied in all significant respects with Code requirements for operational planning timber harvesting road construction maintenance and deactivation silviculture and fire protection.

5.5.9 Opinion

In my opinion the operational planning timber harvesting silviculture fire protection and road construction and maintenance activities carried out under FL A19006 by Stevens Consulting in the audit area from May 1 2001 to May 31 2005 were in compliance in all significant respects with the requirements of the Code as of May 2005.

No opinion is expressed about Stevens Forest Consulting s road deactivation as there were no deactivation activities during the audit period

In reference to compliance the term in all significant respects recognizes that there may be minor instances of non compliance that either may not be detected by the audit or that are detected but not considered worthy of inclusion in the audit report

Sections 5.5.1 and 5.5.5 of this Report cover the Auditor s Responsibilities Basis of the audit and professional reporting Opinion The audit was conducted in accordance with the auditing standards of the Forest Practices Board Each an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code

Steven Gilpatrick RPF
Auditor of Record
Victoria British Columbia
December 10 2005

2.3 TFL 46 (TFL Forest Ltd.)

2.3.1 Scope

The audit examined the activities and obligations of TFL Forest Ltd., under Tree Farm Licence (TFL) 46, related to operational planning; timber harvesting; silviculture; fire protection; and road construction, maintenance and deactivation. These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The period for which activities were examined was May 1, 2001, to May 25, 2002.

The activities carried out during the audit period were:

- harvesting of 9 cutblocks
- layout of 9 road sections totalling 3.2 kilometres
- construction of 11 road sections, totalling 4.2 kilometres
- construction of 2 bridges
- maintenance of 2 bridges and major culverts and approximately 7.5 kilometres of road, involving activities such as road surfacing and cleaning culverts and ditches
- permanent or semi-permanent deactivation on 6 roads, totalling 3.8 kilometres
- planting of 7 cutblocks
- fire-preparedness planning, fuel management and hazard abatement

The activities carried out by TFL Forest Ltd. during the audit period were approved in the 2000-2004 and 2002-2006 forest development plans for TFL 46.

Section 2.3.2 of this report describes the results of the audit. The Board's *Compliance Audit Reference Manual Version 3.1* (May 2002) sets out the standards and procedures that were used to carry out the audit.

2.3.2 Findings

Planning and practices examined

The audit work on selected roads and cutblocks included ground-based procedures and assessments from the air using helicopters. The audit examined the following practices:

- harvesting practices on 9 cutblocks
- construction of 11 road sections totalling 4.2 kilometres
- construction of 2 bridges
- maintenance of approximately 7 kilometres of road
- planting of 5 cutblocks
- fire-preparedness planning, fuel management, and hazard abatement

The audit also examined the 2000-2004 and 2002-2006 forest development plans for TFL 46. Only the portions of the forest development plan that applied to the audit area were examined.

Findings

The audit found that the forest planning and practices of TFL Forest Ltd. complied, in all significant respects, with Code requirements for operational planning; timber harvesting; road construction, maintenance and deactivation; silviculture; and fire protection.

2.3.3 Opinion

In my opinion, the operational planning; timber harvesting; silviculture; fire protection; and road construction and maintenance activities carried out under TFL 46 by TFL Forest Ltd. in the audit area, from May 1, 2001, to May 25, 2002, were in compliance, in all significant respects, with the requirements of the Code as of May 2002.

No opinion is expressed about TFL Forest Ltd's road deactivation as there were no deactivation activities during the audit period.

In reference to compliance, the term "in all significant respects" recognizes that there may be minor instances of non-compliance that either may not be detected by the audit, or that are detected but not considered worthy of inclusion in the audit report.

Sections 2.3.1 and 2.3.2 of this Report from the Auditor describe the basis of the audit work performed in reaching this opinion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code.

Kevin Edquist, RPF
Auditor of Record
Victoria, British Columbia
December 19, 2002

2.4 FL A49541 Coast Mountain Hardwoods Inc. (A wholly owned subsidiary of Weyerhaeuser Company Ltd.)

2.4.1 Scope

The audit examined the activities and obligations of Coast Mountain Hardwoods Inc., under Forest Licence (FL) A49541, related to operational planning; timber harvesting; silviculture; fire protection; and road construction, maintenance and deactivation. The audit also examined timber harvesting activities under Licences to Cut L45563 and L45744 (held by Weyerhaeuser). These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The period for which activities were examined was May 1, 2001, to May 25, 2002.

The activities carried out during the audit period were:

- harvesting of 1 cutblock with a silviculture prescription
- construction of 7 road sections, totalling 2.8 kilometres
- permanent deactivation on 1 road, totalling 0.2 kilometres
- planting of 1 cutblock
- manual brushing on 1 cutblock
- fire-preparedness planning, fuel management and hazard abatement

The activities carried out by Weyerhaeuser during the audit period were approved in the 1999-2003 Coast Mountain Hardwoods Inc. forest development plan.

Section 2.4.2 of this report describes the results of the audit. The Board's *Compliance Audit Reference Manual Version 5.1 (May 2002)* sets out the standards and procedures that were used to carry out the audit.

2.4.2 Findings

Planning and practices examined

The audit work on selected roads and cutblocks included ground-based procedures and assessments from the air using helicopters. The audit examined the following practices:

- harvesting practices on 1 cutblock with a silviculture prescription
- construction of 7 road sections totalling 2.8 kilometres
- planting of 1 cutblock
- manual brushing on 1 cutblock
- fire-preparedness planning, fuel management, and hazard abatement

The audit also examined the 1999-2003 Coast Mountain Hardwoods forest development plan. Only the portions of the forest development plan that applied to the audit area were examined.

Findings

The audit found that the forest planning and practices of Coast Mountain Hardwoods Inc. (including Weyerhaeuser's activities under licences to cut L45563 and L45744) complied, in all significant respects, with Code requirements for operational planning; timber harvesting; road construction and maintenance; silviculture; and fire protection.

Given the very low amount of road deactivation, this activity was not examined.

2.4.3 Opinion

In my opinion, the operational planning; timber harvesting; silviculture; fire protection; and road construction and maintenance activities carried out under FL A49541 by Coast Mountain Hardwoods Inc. and under Licences to Cut L45563 and L45744 by Weyerhaeuser Company Inc. in the audit area from May 1, 2001, to May 25, 2002, were in compliance, in all significant respects, with the requirements of the Code as of May 2002.

In reference to compliance, the term "in all significant respects" recognizes that there may be minor instances of non-compliance that either may not be detected by the audit, or that are detected but not considered worthy of inclusion in the audit report.

Sections 2.4.1 and 2.4.2 of this Report from the Auditor describe the basis of the audit work performed in reaching this opinion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code.

Kevin Edquist, RPF
Auditor of Record
Victoria, British Columbia
December 19, 2002

3.0 Other Licences

3.1 Woodlots

3.1.1 Introduction

There are thirteen woodlot licences (WLs) within the audit area: WLs 12, 13, 14, 20, 21, 22, 24, 31, 97, 1557, 1614, 1713 and 1464. Five were selected for audit: WLs 14, 20, 24, 31 and 1557.

3.1.2 Scope

The audit examined the woodlot licensees' activities and obligations related to operational planning; timber harvesting; silviculture; fire protection; and road construction, maintenance and deactivation. These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* and related regulations (the Code). The period for which activities were examined was May 1, 2001, to May 25, 2002.

The activities and obligations within the audit area during the audit period, and therefore subject to audit, were:

- harvesting of 17 cutblocks or site plans
- construction of 3.7 kilometres of road
- maintenance of approximately 13.8 kilometres of road, involving activities such as road surfacing and cleaning culverts and ditches
- planting of 7 cutblocks
- manual brushing on 1 cutblock
- free-growing obligations on 12 cutblocks
- fire-preparedness planning, fuel management and hazard abatement

The activities were approved in woodlot licensees' forest development plans.

Licence Number	Forest Development Plan
WL 14	1999 - 2004
WL 20	2001 - 2005
WL 24	2001 - 2006
WL 31	1997 - 2001
WL 1557	2001 - 2006

There were no road deactivation activities under the woodlot licences.

Section 3.1.3 of this report describes the results of the audit. The Board's *Compliance Audit Reference Manual Version 5.1 (May 2002)* sets out the standards and procedures that were used to carry out the audit.

3.1.3 Findings

Planning and practices examined

The audit work on selected roads and cutblocks included ground-based procedures and assessments from the air using helicopters. The audit examined the following practices:

- harvesting practices on 16 cutblocks or site plans
- construction of 3.7 kilometres of road
- maintenance of approximately 11.6 kilometres of road
- planting of 6 cutblocks
- manual brushing on 1 cutblock
- free-growing obligations on 10 cutblocks
- fire-preparedness planning, fuel management and hazard abatement

The audit included assessing the forest development plans for WL 14, 20, 24, 31 and 1557 for compliance with the Code.

It was not possible to examine the woodlot licensees' compliance with Code requirements for fire tools and equipment during active operations because no woodlot operations were active during the audit.

Findings

The audit found that the woodlot licensees' forest planning and practices complied, in all significant respects, with Code requirements for operational planning; timber harvesting; road construction and maintenance; silviculture; and fire preparedness planning.

3.1.4 Opinion

In my opinion, the operational planning; timber harvesting; silviculture; fire-preparedness planning; and road construction and maintenance activities carried out by the woodlot licensees under WLs 14, 20, 24, 31 and 1557, in the audit area, from May 1, 2001, to May 25, 2002, were in compliance, in all significant respects, with the requirements of the Code as of May 2002.

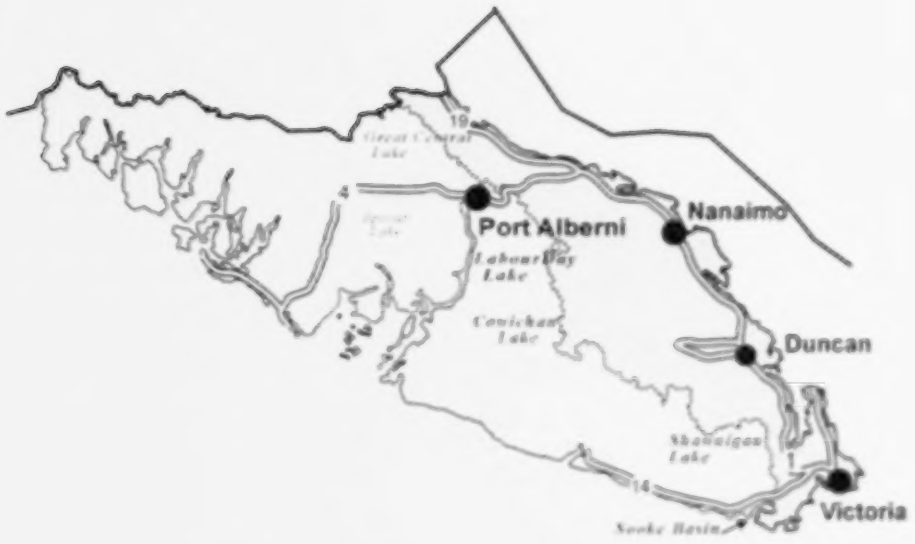
No opinion is expressed about fire-fighting tools and equipment during active operations.

In reference to compliance, the term "in all significant respects" recognizes that there may be minor instances of non-compliance that either may not be detected by the audit, or that are detected but not considered worthy of inclusion in the audit report.

Sections 3.1.2 and 3.1.3 of this Report from the Auditor describe the basis of the audit work performed in reaching this opinion. The audit was conducted in accordance with the auditing standards of the Forest Practices Board. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code.

Kevin Edquist, RPF
Auditor of Record
Victoria, British Columbia
December 19, 2002

South Island Forest District Area Audit Map



Highway

Audit Area

South Island Forest District Boundary

International Boundary

(Map not to scale)

Enlarged area

[i] A higher level plan is a forest resource management objective that is established as legally binding by a written order. The objective applies to a resource management zone, landscape unit, sensitive area, recreation site, recreation trail, or interpretive forest site. Higher level plans are a provision of the *Forest Practices Code of British Columbia Act* that give direction to operational plans.

[ii] A forest development plan is an operational plan that provides the public and government agencies with information about the location of proposed roads and cutblocks for harvesting timber over a period of at least five years. The plan must specify measures that will be carried out to protect forest resources. It must also be consistent with any higher level plans. Site-specific plans are required to be consistent with the forest development plan.

[iii] A silviculture prescription is a site-specific operational plan that describes the forest management objectives for an area to be harvested (a cutblock). The silviculture prescriptions examined in the audit are required to describe the management activities proposed to maintain the inherent productivity of the site, accommodate all resource values, including biological diversity, and produce a free-growing stand capable of meeting stated management objectives. Silviculture prescriptions must be consistent with forest development plans that encompass the area to which the prescription applies.

Audit of the Government of British Columbia's Enforcement of the Forest Practices Code in the South Island Forest District

D. Report from the Auditor – Enforcement Audit

1.0 Introduction

As a part of its 2002/2003 audit program, the Forest Practices Board selected an area on the east coast of Vancouver Island in the South Island Forest District for audit. The area-based audit examined the activities of all parties with responsibilities under the *Forest Practices Code of British Columbia Act* and regulations (the Code), including forest tenure holders, and resource agencies, as well as government agencies with Code enforcement responsibilities.

This report describes the audit of government's enforcement of the Code, including activities such as tracking, inspecting and reporting licensees' forest activities, and taking action, where necessary, to address non-compliance with the Code.

The South Island Forest District was selected randomly from the population of eight forest districts in the Vancouver Forest Region, and not on the basis of location or level of performance. The district was divided into four areas containing sufficient levels of forest activities for audit, and the audit area was selected randomly. The audit area comprises 10 draft landscape units.

Section 176(8) of the Code mandates the Board to carry out periodic independent audits of the appropriateness of government enforcement under the Code. Three ministries have authority under the Code for enforcement – the Ministries of Forests (MOF); Water, Land and Air Protection (MWLAP);[1] and Energy and Mines (MEM).

The total volume harvested on Crown land during the audit period was approximately 170,000 cubic metres.

The east side of southern Vancouver Island is approximately 80,000 hectares in size, extending southeast from the Campbell River Forest District boundary, east of Fort Alberni and Labour Day Lake, to Shawnigan Lake and the Sooke Basin, including the area surrounding Cowichan Lake (see attached map).

The area is comprised mostly of subhumid terrain with the majority of the harvesting in second growth stands of coastal Douglas-fir or coastal western hemlock, and utilizing primarily a 'clearcut with reserves' silviculture system. Root rot and windthrow are the common forest health concerns in the area and there are four community watersheds within the audit area.

The area also contains a substantial amount of private land, including a large amount of private forest land. In many areas, the private and Crown forests are adjacent, with operations on both the private and Crown lands by the same operators.

There are currently no landscape plans or objectives established for the draft landscape units. The Vancouver Island Land Use Plan Higher Level Plan is applicable to the audit area and serves as guidance to statutory decision makers.

2.0 Audit Scope and Approach

The audit examined government's planning, management direction and operational activities related to enforcement of the Code for the period May 1, 2001 to May 31, 2003.

Audit Criteria

The audit used criteria to assess three broad aspects of government enforcement: the design of the compliance and enforcement (C&E) organization and business processes; their application in practice (through sampling both compliance and enforcement transactions in a number of areas such as compliance inspections); and the management framework used to direct, support, monitor and report on C&E activity.

The following main assessment criteria were used:

- Government agencies obtain, use and maintain adequate information on the forest activities subject to compliance and enforcement.
- Government agencies have an effective way of identifying risks associated with forest activities and utilizing risk in inspection planning.
- Government agencies conduct a sufficient number of inspections, in a risk- objective and effective way, and accurately record and report results.
- Investigations and determinations are carried out in all applicable situations and only when warranted. They are performed in a risk- objective and consistent way, and are accurately recorded and reported.
- Agencies establish, through operational plans approved and related processes, expectations for forest practices that are enforceable and in accordance with the Code.
- There are established organizational structures, policies and processes that contribute to and support appropriate enforcement of the Code.
- The decisions and actions of different parts of government responsible for enforcement of the Code are appropriate and coordinated.

- Reporting systems provide adequate information on agency performance in relation to enforcement objectives.

Compliance Monitoring

The Council will monitor compliance with licensing Re-audit provisions and Revocation obligations in accordance with its risk-based approach. This includes:

- Inspecting of Re premises;
- conducting of Re premises in response to complaints, if applicable;
- conducting of Re audits;
- maintenance of appropriate Re Information Technology (IT) systems;
- keeping of Re premises in response to complaints, if applicable;
- site preparation of Re premises;
- planning of Re premises;
- recording of Re premises;
- Re governing obligations on Re premises;
- Re protection engagements licensing (once) premises.

The Ministry of Transport's compliance and enforcement activities carried out licensing Re audit periods and Revocation obligations audits include:

- Re design of Re Re IT engagements and Revocation processes;
- Re planning, conduct, recording and reporting of Re audits;
- Re systems and processes used to manage Re audits.

The Ministry of Water and the Protection engagement in Re enforcement does not involve Re IT engagements, programs of compliance inspections of Re audits, systems to record and report Re audits. Considerable reliance is placed on Re Re audit assessments Re engagements of Re organisations IT organisations for Re and Re Re.

There was no activity undertaken Re audit area licensing Re audit periods for Re Ministry of Energy and Mine Re enforcement engagements.

Audit Work and Activities Examined

The audit work included:

- interviewing MOF and MWLAP staff and management
- reviewing and evaluating agency policies, processes and controls
- office-based procedures on a wide selection of MOF C&E inspections
- consideration of the results of the compliance auditor's detailed field examination of forest activities in the audit area, in relation to C&E activity associated with these activities
- seeking input from all licensees in the audit area through a written survey
- interviewing select licensees

2.0 Overall Conclusions

The audit examined the C&E organization and activities of the two government agencies with Code enforcement responsibilities for the southeast area of the South Inland Forest District for the period May 1, 2001, to May 25, 2002.

Ministry of Forests

The Ministry of Forests takes the lead role in Code enforcement, consistent with its primary responsibility for the administration of forestry legislation in British Columbia, including the Code.

The ministry has substantially completed its framework for Code enforcement and is appropriately enforcing the Code in the South Inland Forest District. The district has achieved substantially all of the Board's criteria for appropriate enforcement. The district and forest licensees within the area audited have achieved the primary objective of Code enforcement — a high level of compliance with the Code. With only one exception, situations of non-compliance with the Code were detected, recognized, and appropriately addressed by the district.

In the exception, the district's C&E program failed to recognize the government's obligation under the Code for the maintenance of a 900-metre section of forest service road to a community watershed, acquired under a statutory right-of-way agreement. Maintenance activities had not been carried out on this section of road and the drainage

systems had not been functioning adequately since November 2001. The poor condition of the road posed an environmental risk in the community watershed.

The failure of the district's C&E program to recognize and enforce the government's obligation for the maintenance of this section of road represents a significant weakness in the ministry's enforcement of the Code during the audit period. *In response to the audit, the district initiated the necessary repairs to the road.*

The audit identified some areas where district processes could be enhanced to provide greater assurance of Code compliance. These opportunities are not considered significant weaknesses in the ministry's enforcement of the Code, and are discussed throughout section 4.0. For example, inspection planning processes do not establish a requirement to inspect high-risk features.

Ministry of Water, Land and Air Protection

The Ministry of Water, Land and Air Protection has not completed its framework for Code enforcement and has not achieved the Board's criteria for appropriate enforcement in the South Island Forest District. Completion of its framework for Code enforcement, including ensuring sufficient compliance inspections are carried out to confirm that fish, water and wildlife values have been adequately protected, is necessary to appropriately enforce the Code.

Although MWLAP has the same authority for Code enforcement as MOF, MWLAP's lack of responsibility for plan approvals under the Code, or for permit administration under the *Forest Act*, makes it difficult to design a cost effective enforcement program. The ministry is not aware of what forest activities are occurring or when they are occurring, and has failed to implement effective joint C&E processes with the MOF.

The Ministry of Environment, Lands & Parks[1] had been developing its C&E model, which included a program of compliance inspections as well as coordination with MOF's C&E processes. The processes envisaged were intended to be carried forward and delivered by MWLAP, however, this has not occurred.

MWLAP does not conduct compliance inspections of forest practices, does not have input into the inspections conducted by MOF, and is not informed of the results of MOF inspections. Although MWLAP has the capability to investigate Code non-compliance, its primary involvement in Code enforcement is providing advice about proposed forest development to licensees and the MOF district manager, as well as providing specialized expertise in water quality and wildlife habitat when requested by MOF forest officials.

---

[1] The Ministry of Environment, Lands and Parks was replaced by the Ministry of Water, Land and Air Protection in 2001, as part of a government reorganization.

4.0 Findings and Conclusions

The detailed findings and conclusions of the audit are set out in this section by assessment criterion.

4.1 Audit criterion - Government agencies obtain, use and maintain adequate information on the forest activities subject to compliance and enforcement

In order to undertake compliance and enforcement activities with any assurance as to whether the right activities are being examined, the ministries must be informed of the forest activities taking place in the district. If the ministries do not know about all harvesting, road and silviculture activities, there is little chance that the activities will be inspected, and there is an increased chance that non-compliance with the Code will not be identified and addressed.

The audit assessed whether government has systems in place whereby it obtains, uses and maintains sufficient information about forest activities to enable an effective program of periodic inspections.

The primary sources of information about forest activities are MOF forest officials' knowledge of activities within their zones and operational plans and cutting permits routed to C&E supervisors. This information is maintained in ledger format to enable timely reference to locations where forest activities are taking place.

For silviculture obligations, forest officials monitor the Integrated Silviculture Information System (ISIS). This system has been in operation since prior to the Code, and includes all forest licensees' silviculture activities and obligations. Obligation dates are input by MOF staff at the time of silviculture prescription approval and each licensee then reports its silviculture activities and achievement of its obligations.

The audit identified two gaps in the information tracked by forest officials. Forest officials are not informed of the location and timing of road construction activity conducted under contract to the district Small Business Forest Enterprise Program (SBFEP). These roads access timber sale areas in the district and are generally constructed in advance of the timber sales. The audit identified six sections of road constructed by the SBFEP that forest officials had not inspected.

Forest officials are not informed of the locations and timing of forest activities on private lands that are adjacent to Crown land. The Code requires private landowners to ascertain the boundaries of their private land that is adjacent to Crown land, before cutting or removing timber from the private land. In order to enforce this Code requirement, forest officials need to be aware of those forest activities on private land that are adjacent to Crown land.

There is no legislative requirement for private landowners to notify the district of forest activities on private land and the district relies primarily on the public to report instances of 'trespass' onto Crown land. In the South Island Forest District, there are numerous parcels of private land intermingled with Crown land and reliance on the public may not be sufficient to ensure Code compliance.

Conclusions

The district generally has adequate knowledge of the locations and timing of forest activities.

Some improvement is required to ensure that the information tracked includes all road construction activity by the Small Business Forest Enterprise Program (SBFEP) and, where possible, includes harvesting activities on private land adjacent to Crown land.

Subsequent to the audit, the district implemented a process whereby forest officials are notified of all SBFEP road construction.

MWLAP is not informed of the locations and timing of forest activities.

4.2 Audit Criterion - Government agencies have an effective way of identifying risks associated with forest activities and utilizing risk in inspection planning

Once government agencies have determined the forest activities eligible for inspection, they need an effective method of determining where to place their inspection efforts. Because they cannot inspect all forest activities conducted by all licensees, they need a way to allocate their resources to minimize the risk that impacts to the environment are not detected.

The audit assessed whether government has an effective process for identifying risk and uses information on risk to focus inspection efforts on areas with higher risk of environmental impact from forest activities.

Inspection planning

MOF implemented updated compliance procedures in April 2001, which establish a requirement for districts to prepare inspection plans.

The district prepared its first inspection plan in November 2001. The plan is comprehensive and sets out risks and inspection objectives for all activities governed by the C&E program.

At the time of the audit, the district had not yet formally assessed inspection activity in relation to its plan, however, felt that the objectives expressed in its plan were being

achieved. The audit analysis of inspection activity during the audit period confirmed that inspection frequency is reasonably consistent with the plan.

Risk assessment

C&E staff assess risk for each forest activity, based on MOF's risk assessment procedures set out in its compliance procedures. The risk assessment procedures are comprehensive and include consideration of environmental values and prescribed management practices.

A regional agreement between the ministries envisaged MWLAP's input into MOF's risk assessments and inspection plans, however, that has not been implemented.

Through its inspection planning and risk-assessment processes, the district has demonstrated that risk is driving its inspection activity. The audit identified no significant risk areas that had not been considered by the district, and, with very few exceptions, risk areas received sufficient inspection coverage.

Two areas for improvement were identified. After completion of the ministry inspection planning and risk assessment procedures, the associated inspection objective was often expressed as a number of inspections. Further assurance that key environmental values are adequately inspected could be obtained through more detailed inspection objectives, such as the timeliness and intensity of inspections of key risk features.

The audit also identified that the district's objective for inspecting site-preparation activities was zero percent due to a lack of resources, professional accountability, and reviews conducted at free growing. Site preparation is one of the highest-risk silviculture activities and, therefore, warrants some level of inspection higher than zero percent. We note that there were only two cutblocks with site-preparation activities during the audit period.

Conclusions

MOF's compliance procedures establish comprehensive formal risk assessment and inspection-planning processes.

The risk assessment and inspection-planning processes have been appropriately implemented in the district.

Risk is sufficiently driving inspection activity in the district, and all risk areas received consideration by the district during inspection planning.

The district's objective for inspecting zero percent of site-preparation activities requires improvement.

In response to the audit, the district indicated that it plans to revise its inspection plan objectives to ensure that high-risk features are inspected.

MWLAP does not participate in risk assessment and inspection-planning processes.

4.3 Audit criterion - Government agencies conduct a sufficient number of inspections, in a fair, objective and effective way, and accurately record and report results

The effective conduct of inspections enables government to assess the results of forest practices, identify potential contraventions of the Code and initiate compliance and enforcement actions. Weaknesses in inspections reduce government's ability to appropriately enforce the Code.

The audit assessed whether government's inspections covered a reasonable proportion of parties engaged in forest practices, significant resource features (fish streams, ungulate winter ranges, etc.) and different geographic areas. The audit also assessed whether the number of inspections conducted was sufficient, and whether the inspections were properly planned and performed.

The district demonstrated that inspections are performed effectively and documented adequately.

Inspection coverage was generally sufficient and in accordance with the district inspection plan. Forest officials accurately observed and recognized the results of the forest practices inspected and, where applicable, follow-up requirements were properly tracked through to completion.

Inspection documentation was complete and included details of the status of operations inspected, the specific area or location of the inspection, the practices inspected, the method of inspection and the compliance status of the practices inspected. For many inspections, photographs were on file to support the forest officials' assessments.

With one exception, inspections resulted in appropriate follow-up actions or decisions that a contravention had occurred and a reasonable compliance or enforcement action had been initiated (e.g. compliance notices, warning tickets, investigation for senior official determination).

The audit identified one section of a forest service road, located in an area of private land within a community watershed that had not been maintained to Code standards. The road's drainage systems were not functioning adequately. The district stated that the road had been damaged in November 2001 as a result of commercial use of the road by the private landowner. The MOF holds a statutory right-of-way agreement to use the road to access Crown timber, which requires the ministry to ensure that the right-of-way remains in an environmentally sound condition. This section of road is therefore Crown land and, notwithstanding the cause of the damage, the government is responsible for the maintenance of the road.

The district had authorized, through issuing road use permits under the Code, a forest licensee and a woodlot licensee to use the road to access Crown timber, and the woodlot licensee was using the road to haul timber. The forest licensee had been directed by the district to carry out road inspections and maintenance under its road-use permit.

In ascertaining responsibility for maintaining this section of road, district forest officials failed to consider whether government was obligated for the maintenance of the road, and focused instead on whether contractual enforcement action could be taken against the private landowner under the statutory right of way agreement. However, the statutory right-of-way agreement provided no means for MOF to compel the private landowner to maintain the road, and neither does the Code in this situation.

At the time of the audit, the district had not carried out road maintenance activities, and a plan to ensure the timely repair of the road was not in place. The district's lack of road maintenance in this situation was considered significant non-compliance with the Code (see Part C of this report).

Prior to the audit, and as a result of this section of road, the MOF recognized this deficiency in its statutory right-of-way agreement and changed its template to ensure that private landowners can be compelled to repair and maintain these types of roads on Crown land when the private landowners cause the damage.

Conclusions

The district conducted a sufficient number of inspections, in a fair, objective and effective way, and accurately recorded and reported the results.

The district failed, and continues to fail, to recognize and enforce the government's obligation under the Code to maintain a 900-metre section of forest service road. As a result, this section of road had not been maintained to Code standards and posed an environmental risk within a community watershed. *In response to the audit, the district denied that it has an obligation for the maintenance of the road, however, initiated the necessary repairs to the road.*

MWLAP did not conduct compliance inspections in the area audited.

4.4 Audit criterion - Investigations are conducted in all applicable situations and only when warranted. They are performed in a fair, objective and consistent way, and are accurately recorded and reported.

4.5 Audit criterion - Determinations are made in all applicable situations and only when required. They are performed in a fair, objective and consistent way, and are accurately recorded and reported

Examination of a sample of investigations and determinations, and consideration of the results of the compliance auditors' detailed field examinations of forest activities in the audit area, identified no situations where investigations were warranted and not conducted. As well, determinations were performed fairly and objectively.

Conclusion

The district has demonstrated that investigations and determinations are performed fairly, objectively, in a consistent way, and are accurately recorded and reported.

4.6 Audit criterion - Agencies establish, through operational plan approval and related processes, expectations for forest practices which are enforceable and in accordance with the Code

The district manager establishes expectations for forest practices through an annual letter of expectation distributed to licensees, periodic meetings with all licensees, as well as the approval of operational plans.

District pre-award (tenures) staff are responsible for reviewing operational plans prior to district manager approval. Review procedures are primarily office-based and there is substantial reliance placed on the prescribing foresters.

Forest officials' compliance inspections generally focus on the implementation of approved plans, accepting approved plans as being in accordance with the Code. For example, it is not common practice for forest officials to verify the accuracy of stream classifications set out in approved plans. The district recognized the need for more assurance that plans are accurate and appropriate, and implemented a quality assurance program whereby tenures staff conducted a small number of field visits to assess the accuracy and appropriateness of silviculture prescriptions.

MWLAP also recognized the need for more assurance in this area and has developed a series of checklists to facilitate assessment of the appropriateness of site-level operational plans. However, no assessments have been carried out.

The audit did not identify any operational plans that were not in accordance with the Code, or any situations where ambiguous or unenforceable plans resulted in inappropriate or ineffective enforcement.

Conclusions

The district has established clear and enforceable expectations for forest practices.

Increased field verification of operational plans would improve the agencies' assurance that site-level operational plans are accurate and appropriate. The MWLAP has developed a series of checklists that could be used to provide this assurance.

Subsequent to the audit, the district revised its inspection plan objectives to ensure sufficient validation of operational plans by forest officials.

4.7 Audit criterion - There should be organizational structures, policies and processes that contribute to and support appropriate enforcement of the Code

Organizationally, the district has separated its C&E program from other operational areas to ensure the independence of its C&E function. This separation is a strength of the district's C&E program. The district has also implemented effective monitoring and supervision processes to oversee the work of forest officials, without compromising or fettering forest officials' authority under the Code.

The region and the district have developed procedures that address the inherent conflict of interest that a district manager has in enforcing activities for which they are also responsible. The procedures require forest officials to report all alleged contraventions by the district manager to the district C&E leader. The C&E leader investigates all reported instances, and reports any situations that have potential to cause damage to the environment to regional C&E staff for further investigation and resolution. The audit confirmed the implementation of these procedures is ongoing.

MOF's C&E branch has established an intranet site containing relevant policy and procedural direction, as well as Code bulletins and other information to support forest officials in fulfilling their Code enforcement responsibilities. The branch has also established minimum training requirements and curricula for staff involved in the C&E program, and continues to deliver the required training.

Conclusions

The organizational model adopted in the district is complete and appropriate for enforcement of the Code.

The organizational model is working as intended, with the exception of C&E inspections of road construction under contract to the SBFEP. Improvement is required for the region to ensure the completion of district action plans addressing non-compliance.

Sufficient policy and procedural direction exists, authority and responsibility within the C&E program are defined and understood and district management has established clear and reasonable expectations for the operation of the C&E program.

Forest officials' work is adequately monitored and supervised.

4.8 Audit criterion - The decisions and actions of different parts of government responsible for enforcement of the Code are appropriate and coordinated

MOF and MWLAP have the primary responsibility for Code enforcement in the area audited. As there was no mining activity, the audit did not examine the Ministry of Energy and Mines. MOF takes the lead enforcement role, consistent with its primary responsibility for administration of the Code.

In a July 16, 2001, draft regional agreement for the joint administration of the Code, the ministries identified areas where joint efforts best served Code enforcement. In practice, the joint processes described in the agreement have not been implemented, and the ministries' enforcement activities are not coordinated.

MWLAP does not conduct inspections of forest practices, did not have input into the district's inspection processes and was not informed of the results of the MOF's inspections. MWLAP's efforts were primarily focused on reviewing proposed forest development plans and providing comments to licensees and to the district to help adequately manage and conserve forest resources.

In response to the audit, MWLAP stated that its role in inspections and enforcement in the future is still evolving, and some inspections have been conducted in other areas of Vancouver Island. MOF stated that the current level of interaction between the agencies is achieving the expectations of both agencies, and plans to consult with MWLAP to revisit the 2001 agreement to ensure that it is consistent with current expectations and resource capabilities of both agencies.

Conclusions

MWLAP has not completed its framework for Code enforcement and is not attempting to use its enforcement authority under the Code.

The decisions and actions of MWLAP and MOF are not coordinated, contrary to both ministries' expectations.

MWLAP's expertise in water quality and wildlife habitat is important to Code enforcement.

4.9 Audit criterion - Reporting systems provide adequate information on agency performance in relation to enforcement objectives

MOF's stated objective for the C&E program is to promote compliance with the Code. The C&E branch is responsible for assessing the performance of the C&E program as a whole, and reporting results to the public. The results of C&E activities, and achievement of program objectives, have not been assessed or reported publicly since March 2000.

The region prepared a five-year C&E Team Strategy in 2000. The strategy included short-term and long-term goals and objectives for C&E, and set out 39 key initiatives. The region subsequently assessed progress towards achieving the short- and mid-term objectives in its C&E strategy.

The district, through it business planning process, sets annual targets for the number of inspections to be performed. The number of inspections conducted and the percentage of inspections with no non-compliance identified, are then tracked and reported to district management quarterly. During the audit period, the district relied on other measures to gauge the success of its C&E activities, such as the level of complaints, the timeliness of action taken to address non-compliance, and whether forest officials were achieving their workload.

In April 2002, MOF substantially implemented its Compliance Information Management System (CIMS), which includes various modules to assist both districts and regions in monitoring and assessing the performance of their C&E activities. CIMS also has modules to assist forest officials in planning and fulfilling their Code enforcement responsibilities.

Review of the CIMS system and its reporting modules confirmed that, once fully implemented, the system will include functional reporting capabilities for forest officials and ministry managers to monitor and assess performance. However, reporting continues to be focused primarily on the number of inspections conducted. MOF has recognized that more qualitative information is required for reports to be meaningful, and is in the process of refining its performance measures.

Conclusions

The region's five-year C&E Team Strategy sets out key objectives for the C&E program. This is a strength of MOF's C&E program in the Vancouver Forest Region.

The performance of the South Island Forest District's C&E program has not been formally evaluated.

The district, through less formal means, has implemented processes to ensure that poor performance in its C&E program would not go undetected.

The full implementation of CHMS, including refinement of its reporting modules, will complete the MOF's framework for C&E of the Code.

Public reporting by MOF of its C&E program performance requires improvement.

Steven M. Tolko, C.A.
Auditor of Record
Victoria, BC
January 6, 2005

Forest
Practices
Board

[illegible]